

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

GGY ENTERPRISES, INC.,

Plaintiff,

v.

SMART AUTOCARE, et al.

Defendants.

Case No. 5:23-cv-00656-FLA (SPx)

**ORDER TO SHOW CAUSE WHY
THE ACTION SHOULD NOT BE
REMANDED FOR LACK OF
SUBJECT MATTER JURISDICTION
RE AMOUNT IN CONTROVERSY**

1 Federal courts are courts of “limited jurisdiction,” possessing only “power
 2 authorized by the Constitution and statute[.]” *Kokkonen v. Guardian Life Ins. Co. of*
 3 *Am.*, 511 U.S. 375, 377 (1994); U.S. Const. art. III, § 2, cl. 1. Courts are presumed to
 4 lack jurisdiction unless the contrary appears affirmatively from the record. *See*
 5 *DaimlerChrysler Corp. v. Cuno*, 547 U.S. 332, 342 n. 3 (2006). Additionally, federal
 6 courts have an obligation to examine jurisdiction *sua sponte* before proceeding to the
 7 merits of a case. *See Ruhrgas AG v. Marathon Oil Co.*, 526 U.S. 574, 583 (1999).

8 Federal courts have jurisdiction where an action arises under federal law or
 9 where each plaintiff’s citizenship is diverse from each defendant’s citizenship and the
 10 amount in controversy exceeds \$75,000, exclusive of interest and costs. 28 U.S.C.
 11 §§ 1331, 1332(a). Thus, a notice removing a case from state court to federal court
 12 must include “a plausible allegation that the amount in controversy exceeds the
 13 jurisdictional threshold.” *Dart Cherokee Basin Operating Co., LLC v. Owens*, 574
 14 U.S. 81, 89 (2014). Where “the plaintiff contests, or the court questions, the
 15 defendant’s allegation” concerning the amount in controversy, “both sides [shall]
 16 submit proof,” and the court may then decide whether the defendant has proven the
 17 amount in controversy “by a preponderance of the evidence.” *Id.* at 88–89. “Federal
 18 jurisdiction must be rejected if there is any doubt as to the right of removal in the first
 19 instance.” *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992).

20 The court has reviewed Defendant Smart Autocare’s Notice of Removal (Dkt.
 21 1) and it is not clear that the court has subject matter jurisdiction over this action under
 22 28 U.S.C. § 1332(a). In particular, and without limitation, the court notes that the
 23 Notice of Removal contains scant evidence of the amount in controversy.

24 The parties are ORDERED TO SHOW CAUSE, in writing only, within
 25 fourteen (14) days from the date of this Order, why this action should not be remanded
 26 for lack of subject matter jurisdiction because the amount in controversy does not
 27 exceed the jurisdictional threshold. Responses shall be limited to ten (10) pages in
 28

1 length. Failure to respond timely or adequately to this Order to Show Cause may
2 result in the court remanding this action without further warning.

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4 IT IS SO ORDERED.
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6 Dated: July 13, 2023
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9 FERNANDO L. AENLLE-ROCHA
10 United States District Judge
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